

**REMARKS**

This responds to the Office Action mailed on September 24, 2007.

Claim 11 is amended, no claims are canceled, and no claims are added; as a result, claims 1-22 are now pending in this application.

**§101 Rejection of the Claims**

Claims 11-20 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Specifically, the claims were rejected for the reason that the modules, as described in the Specification, are software per se thus fall under non-statutory subject matter.

Applicants respectfully submit that the rejection of the claims 11-20 under 35 U.S.C. § 101 is defective for the reason that the claims, as amended, are directed to statutory subject matter.

U.S. Code Title 35 states the following:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

34 U.S.C. 101

The Federal Circuit, in discussing utility, has written:

The threshold of utility is not high: An invention is “useful” under section 101 if it is capable of providing some identifiable benefit. See *Brenner v. Manson*, 383 U.S. 519, 534, 86 S.Ct. 1033, 16 L.Ed.2d 69 (1966); *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1571 (Fed.Cir.1992) (“To violate § 101 the claimed device must be totally incapable of achieving a useful result”); *Fuller v. Berger*, 120 F. 274, 275 (7th Cir.1903) (test for utility is whether invention “is incapable of serving any beneficial end”).

*Juicy Whip Inc., v. Orange Bang Inc.*, 185 F.3d 1366 (1999)

Claim 11, as amended, recites the following:

*at least one machine to execute:*

*an account module to ...*

*a payment module to... and*

*an award module to.... .*

The amendment of claim 11 to recite “at least one machine to execute” is supported in the Applicants' patent application. An example embodiment of a machine is illustrated in Figure 16 and described in the Applicants' specification at paragraphs 87-91. The machine may be embodied as a personal computer, a tablet PC, a set-top box (STB), a Personal Digital Assistant (PDA), a cellular telephone, a web appliance, a network router, switch or bridge or any machine capable of executing a set of instructions (sequential or otherwise) that specify actions to be taken by that machine (*Id.*). In one example embodiment, the machine includes a processor 302 and a main memory 904. Accordingly, the subject matter of amended claim 11 can no longer be said to be directed at software *per se* and should be considered statutory subject matter.

Dependent claims 12-20 depend on independent claim 11. Accordingly, the subject matter of the claims 12-20 should also be considered statutory subject matter. In summary, claims 11-20 were not properly rejected under 35 U.S.C. § 101.

#### §103 Rejection of the Claims

Claims 1-22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Steiner (“PayPal Introduces New Merchant Referral Bonus Program”) in view of PayPal (“When and why did the \$5.00 USD Refer-A-Friend Bonus end?”).

Applicants respectfully submit that the rejection of claims 1-22 under 35 U.S.C. § 103 is defective for the reason that the Steiner and Paypal documents are not prior art and are not available for combination to support a rejection under 35 USC 103(a).

The "Steiner" document was cited in the Office Action as relating to a PayPal Merchant Referral Bonus Program. The Steiner document appears to have a stated date of September 15, 2003.

The portion of Steiner relied upon in the Office Action in support of the rejection is PayPal Merchant Referral Bonus System, subject matter that was invented by Alan Tien and Dave McClure, disclosed in the present application and claimed in the present application.

The "Paypal" document was cited as a secondary reference and has no stated date of publication. The copy of the web page on which "Paypal was published" bears a date of February 3, 2005.

Applicants have submitted herewith Declarations of co-inventors Tien and McClure under Rule 132 showing that the Steiner document relates to the same PayPal Merchant Referral Bonus Program that is disclosed and claimed in the present application.

In the enclosed Declarations, Co-Inventors Tien and McClure have sworn that they are co-inventors of any subject matter that may be disclosed in the Steiner document. Since the Steiner document thus fails to show either that the claimed invention was known or used by another in this country, as 102 (a)<sup>1</sup> would require, or that either inventor "did not himself invent the subject matter to be patented,"<sup>2</sup> Steiner is unavailable as prior art either alone or in combination with any other reference in support of a 103 rejection.

Applicants also rely upon 35 USC §103(c) which would disqualify subject matter developed by another where both that subject matter and the claimed invention were, at the time that the invention was made, owned by PayPal<sup>3</sup>, Inc. The PayPal Merchant Referral Bonus Program and the claimed invention have been owned by the same entity, PayPal, Inc.

The Office Action has not provided a publication or retrieval date for the PayPal document. Even if it were conceded to predate the filing date of the present application, its internal reference to September 26, 2003 in the past tense demonstrates that it was published after that date so that it is not available as prior art. Additionally, the PayPal document was used in the Office Action merely as a secondary reference, cited to support a contention that it would be obvious to supplement what was shown in the Steiner document. Whatever its date, the PayPal document is not prior art, and does not itself disclose the claimed invention and cannot be properly combined with the Steiner document.

In summary, Applicants request for the above reasons that the above stated rejections be reconsidered and withdrawn.

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<sup>1</sup> 35 U.S.C. 102(a) states the following:

"(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent "

35 U.S.C. 102(a)

<sup>2</sup> 35 USC 102 (f)

<sup>3</sup> PayPal Inc. has now become part of EBay, Inc., the assignee of record of this application.

Applicants further submit that claims 1-22 are patentable and respectfully request allowance of the claims.

*Reservation of Rights*

In the interest of clarity and brevity, Applicants may not have equally addressed every assertion made in the Office Action, however, this does not constitute any admission or acquiescence. Applicants reserve all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicants do not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicants timely object to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicants reserve all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

### CONCLUSION

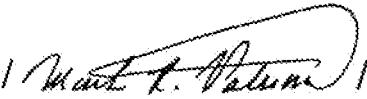
Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney at 408-278-4046 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

SCHWEGMAN, LUNDBERG & WOESSNER, P.A.  
P.O. Box 2938  
Minneapolis, MN 55402  
408-27

Date 02/25/2008

By 

Mark R. Vatuone  
Reg. No. 53,719

**CERTIFICATE UNDER 37 CFR 1.8:** The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 25<sup>th</sup>, day of February 2008.

Dawn R. Shaw

/Dawn R. Shaw/

Name

Signature